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CORRECTION

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Page 40, Column 1

The last sentence of the item on Parliamentary Broadcasts should read:

'The Government was asking the House initially to accept a trial period of about 18 months for the committee, during which its role could be kept under constant review.'

GOVERNMENT AND ADMINISTRATION

Parliament

The strength of the parties in the House of Commons following a by-election and the deaths of three members is given below. A Speaker's Conference has recommended an increase from 12 to 17 in the number of constituencies in Northern Ireland.

STATE OF THE PARTIES

The state of the parties in the House of Commons has altered following a by-election and the deaths of three MPs.

The Conservative Party won the seat at Redbridge, Ilford North, in a parliamentary by-election on 2 March. The seat was formerly held by the Labour MP, Mrs Millie Miller, who died in October 1977. The Conservative candidate, Mr Vivian Bendall, won by a majority of 5,497.

The results were as follows:

V. Bendall (Conservative)	22,548
T. Jowell (Labour)	17,051
J. Freeman (Liberal)	2,248
J. Hughes (National Front)	2,126
T. Iremonger (Conservative Independent Democrat)	671

Three other candidates each received less than 500 votes. Some 68·2 per cent of the electorate voted.

Also affecting the state of the parties were the deaths in January of Mr William Small, Labour MP for Glasgow, Garscadden, and Sir John Hall, Conservative MP for Wycombe, and in February of Mr Marcus Lipton, Labour MP for Lambeth, Central.

In Northern Ireland the Vanguard Unionist Party, set up in 1973, was formally dissolved on 25 February and its one MP, Mr William Craig, has joined the Official Unionists.

The state of the parties is now, therefore, as follows:

Labour	306
Conservative	281
Liberal	13
Scottish National	11
Official Unionist (Northern Ireland)	7
Plaid Cymru (Welsh Nationalist)	3
Independent Unionists (Northern Ireland)	2
Scottish Labour	2
Democratic Unionist (Northern Ireland)	1
Independent (Northern Ireland)	1
Social Democratic and Labour (Northern Ireland)	1
Vacancies	3
TOTAL	631

In addition there are the Speaker of the House of Commons and his three deputies (the Chairman of Ways and Means and the first and second Deputy Chairmen of Ways and Means). They do not vote except in their official capacity in the event of a tie.

NORTHERN IRELAND REPRESENTATION

A Speaker's Conference on Electoral Law appointed to consider the representation of Northern Ireland at Westminster (see p 214, 1977) has recommended that the number of parliamentary constituencies in Northern Ireland should be increased from 12 to 17 but that the Boundary Commission should be given power to vary that number to a minimum of 16 or a maximum of 18. The recommendation is contained in *Conference on Electoral Law. Letter dated 13 February 1978 from Mr Speaker to the Prime Minister,* Cmnd 7110. Memoranda submitted to the conference by political parties and organisations, Government departments and individuals are published separately as *Mr Speaker's Conference on Electoral Law. Papers Submitted to the Conference.*

Tuvalu Constitutional Conference

Tuvalu, formerly the Ellice Islands and until October 1975 part of the Gilbert and Ellice Islands Colony, is to become independent on 1 October 1978. This was agreed at a constitutional conference held in London in February under the chairmanship of Britain's Minister of State for Foreign and Commonwealth Affairs, Lord Goronwy Roberts. The Tuvaluan delegation was led by the Chief Minister, Mr Toalipi Lauti. On independence, Tuvalu will apply for membership of the Commonwealth.

The independence constitution will provide for Tuvalu to become a constitutional monarchy with the Queen as Head of State represented in the islands by a Tuvaluan Governor-General. Parliament

will be unicameral with 12 members elected by universal adult suffrage, while the Cabinet will comprise a Prime Minister and four other ministers. The judicial system will take due account of Tuvaluan custom and tradition. The constitution will also define citizenship requirements and provide for the protection of the fundamental rights and freedoms of the individual.

At the conference the British Government also agreed to amend the existing constitution so as to allow a Tuvaluan minister to assume responsibility for finance and the transfer of responsibility for public service matters to an executive Public Service Commission.

Other matters discussed at the conference included the financial arrangements between Britain and an independent Tuvalu, and agreement was reached on proposals covering a special development fund, capital and budgetary aid and technical co-operation arrangements.

Background

Tuvalu comprises nine islands (although the name means 'cluster of eight') scattered over some 500,000 square miles (1·3 million square kilometres) of the south-west Pacific about 650 miles (1,046 kilometres) to the north of Fiji. The land area of the islands is about 10 square miles (26 square kilometres) and the population, made up almost entirely of Polynesians, numbers some 8,000. The capital is Funafuti.

Together with the Gilbert Islands, Tuvalu, then called the Ellice Islands, became a British Protectorate in 1892 and, after consultations with the local inhabitants, a colony, the Gilbert and Ellice Islands Colony, in 1916. Being Polynesian, the people of Tuvalu differ culturally, socially, linguistically and politically from the Micronesian Gilberts, having more in common in these respects with other Pacific Polynesian groups. In the 1970s these differences were reflected in a desire by the Ellice Islanders to separate from the Gilberts and make their own way to independence, and this wish was affirmed in a referendum, held in 1974 and observed with approval by a visiting mission from the UN Committee of Twenty-four, by an overwhelming majority. The Government of the Gilbert and Ellice Islands subsequently confirmed that the wishes of the Ellice Islanders would be respected and on 1 October 1975 the Ellice Islands were established legally as a separate colony called Tuvalu (see p 397, 1975). Formal administrative separation was implemented on 1 January 1976.

Life in Tuvalu is simple, but there are no evident signs of poverty, the people of the territory maintaining a reasonable standard of living by intensive exploitation of the sea, reefs and atolls, and by sending their young men to work abroad. Remittances from the latter are the main source of income in the group, other income being derived from copra, the chief cash crop and only export (120 tons valued at $A423,184 in 1975), and, on a small scale, from handicrafts, marketed through co-operatives. The territory, however, requires substantial budgetary and development aid, and the immediate primary objective is to achieve, as far as possible, economic self-sufficiency. The main source of external aid is Britain (£1·6 million in 1976), although it is expected that Tuvalu will also receive assistance from the United Nations Development Programme, Australia and New Zealand. Tuvalu is also an associate member of the UN Economic and Social Commission for Asia and the Pacific.

In 1975-76, development, mainly financed by British aid funds, was concerned mainly with the establishment of the new separate administration, housing and school improvement, and the creation of a co-operative wholesale society. Future development will concentrate on the possibility of creating a commercial fishing industry, coconut and other agricultural developments, and the establishment of small industries. It is also hoped to establish a satisfactory transport system within the islands.

Shorter Notes

DECENTRALISATION OF FUNCTIONS TO THE WELSH OFFICE

From 1 April 1978 the Welsh Office will take on extra responsibilities for agriculture and fisheries and for education. As announced in a press notice on 28 July 1977, the Secretary of State for Wales is to acquire ministerial responsibilities in relation to agriculture and fisheries similar to those exercised by the Secretary of State for Scotland. This means that the Secretary of State for Wales will have statutory responsibility for a wide range of agriculture and fisheries functions, in some cases exercising a joint responsibility with the Minister of Agriculture, Fisheries and Food. At present these functions are exercised by the Minister, in some cases jointly with the Secretary of State. The Agricultural Development and Advisory Service will, however, remain a single organisation in England and Wales, within the ministry, but acting in Wales as an agent of the Secretary of State. On the same date, as announced in a press notice on 4 November 1977, ministerial responsibility for all non-university higher and further education institutions, public libraries, the youth and community services and adult education in Wales is to pass from the Secretary of State for Education and Science to the Secretary of State for Wales. Since the latter already has responsibility for primary and secondary schools in Wales, he will with this transfer become responsible for most of the functions related to educational matters which would, under the Government's devolution proposals, be vested in the Welsh Assembly (see p 453, 1977). On matters of common concern to England and Wales the Secretaries of State will maintain a concerted approach.

THE CROWN AGENTS

Resolutions to establish a tribunal under the Tribunals of Inquiry (Evidence) Act 1921 to inquire into certain matters relating to the operations of the Crown Agents in the years 1967-74 described in the report of the Fay Committee (see pp 4-6) were

passed by both Houses of Parliament on 28 February (*Hansard*, cols 254-73 and *HL*, cols 396-405). The members of the tribunal, announced by the Home Secretary, Mr Merlyn Rees, on 1 March (*Hansard*, cols 239-40) are Mr Justice Croom-Johnson, a High Court judge, the Lord Allen of Abbeydale, a former Permanent Under-Secretary of State at the Home Office, and Sir William Slimmings, a former president of the Institute of Chartered Accountants of Scotland. The tribunal's terms of reference require it to consider 'to what extent there were lapses from accepted standards of commercial or professional conduct, or of public administration' in relation to the Crown Agents' own-account operations between 1967 and 1974.

The Tribunals of Inquiry (Evidence) Act 1921 provides that if both Houses of Parliament resolve that it is expedient that a tribunal be established for inquiring into a definite matter 'of urgent public importance' then such a tribunal shall have all powers, rights, and privileges that are vested in the High Court. The inquisitorial powers of such tribunals, however, are quite different from other legal proceedings, and require special safeguards for people whose conduct is in question. One safeguard lies in the composition of the tribunal, and in 1973 (see pp 237-8, 1973) the Government accepted the principle that the chairman should be a person holding high judicial office. It also expressed the view that when a tribunal was inquiring into the conduct of members of a particular service, profession or calling, or where it was required to deal with issues of a specialised, technical nature, it should include members other than lawyers with experience or qualifications relevant to the subject of the inquiry.

EXTERNAL AFFAIRS AND DEFENCE

Defence

Britain's defence budget for 1978-79 will be £6,919 million, which represents about 4·75 per cent of gross domestic product. This is revealed in the Government's annual statement on defence estimates (see p 105), published on 20 February, which sets out current defence policy and describes developments in the military field over the past year. A continuing concentration of Britain's defence effort on the North Atlantic Alliance is the main theme of the statement, and it outlines how Britain is making an effective contribution to the challenges facing the Alliance. From 1979 the Government is responding positively to NATO's request for increased resources for defence, and it proposes to increase defence expenditure by 3 per cent in real terms for 1979-80, and, subject to review, by the same amount for the following year. The statement reviews the current progress in arms control negotiations, the increase in Soviet military capability, the defence effort of the members of the North Atlantic Treaty Organisation (NATO), and recent developments in Britain's defence expenditure. Further sections of the statement provide information on the deployment and operations of the defence forces and give details of new equipment and of manpower. In a speech to the European Atlantic Group on 20 February, Dr Joseph Luns, Secretary-General of NATO, said that he was 'relieved and heartened' by the decisions announced in the statement, and that, compared with other NATO members, Britain was still a member 'which spends more than most'.

Defence Policy

The Government statement on defence estimates notes that Britain continues to concentrate its defence effort on the North Atlantic Alliance, because the Alliance 'has worked well for over a quarter of a century', and has provided far greater security than any member could have achieved alone. Defence policy, it says, needs to be seen in the wider context of Britain's international security aims, which include action to remove or alleviate the causes of international tension, and the continuing search to widen and strengthen multilateral arms control and disarmament wherever possible. Britain is therefore active, in close collaboration with its NATO allies, in each of the various aspects of *détente* and deterrence which 'complement one another in reinforcing security'.

Detente and Disarmament

The statement describes progress in various arms control negotiations, in some of which there have been encouraging advances in the past year. Since July 1977 Britain has been negotiating with the United States and the Soviet Union towards a comprehensive test ban treaty, the aim of which is a ban on all nuclear explosions with effective verification and the adherence of as many states as possible, nuclear and non-nuclear. The negotiations have made good progress, and the statement notes that Britain believes agreement can be achieved. The strategic arms limitation talks (SALT, see pp 11-12) between the United States and the Soviet Union also continue, and Britain attaches great importance to a successful outcome of these negotiations. Meanwhile, both the United States and the Soviet Union have said that they will continue to act as though the interim agreement of 1972 (see pp 254-5, 1972), which expired on 3 October 1977, were still in force. Progress on the Mutual and Balanced Force Reductions talks (see p 11), however, remains disappointing, and the statement reports that the agreed aim of providing greater stability at a lower level of forces without impairing the security of either side 'seems still a long way off'. The Government attaches great importance to these talks, but 'has no intention . . . , in advance of an agreement, of reducing the forces we maintain on the mainland of Europe in fulfilment of our Brussels Treaty obligations'.

Turning to the Conference on Security and Co-operation in Europe (CSCE) follow-up meeting in Belgrade (see p 11), the statement notes that the provisions of the 1975 Final Act (see pp 305-12, 1975) that are of direct military relevance are the confidence-building measures, designed to reduce the risks of military miscalculation or misunderstanding. Since the signing of the Final Act, NATO countries, and for the most part the neutral and non-aligned countries also, have implemented these measures 'in a liberal and forthcoming way', including the voluntary notification of a large number of smaller-scale manoeuvres. The Warsaw Pact countries, on the other hand, had taken a more restrictive line until just before the start of the Belgrade meeting and had declined all invitations to manoeuvres in NATO countries. More recently, however, they have begun to accept such invitations,

and in January, Britain was, for the first time, invited to send observers to a Soviet exercise. At the Belgrade meeting, British and other NATO representatives have sought to develop confidence-building measures further, in particular by strengthening the commitment to notify smaller manoeuvres and movements, and by improving the conditions under which invited observers can operate.

The statement then outlines developments in other arms control areas in the past year, and looks forward to the United Nations Special Session on Disarmament to be held in May and June (see pp 47-8).

Deterrence and Defence

The statement points out that adequate security cannot result from attempts at achieving *détente* and disarmament alone, but requires also a major defence effort, which 'is indeed a precondition of successful political action'. NATO's deterrent strategy is based on forward defence and the capability of flexible response. Forward defence means that NATO is committed to defend the full territorial integrity of its members and to halt any attack at the earliest possible point. Flexible response means that NATO must have a range of military options wide enough to ensure that whatever form aggression took, NATO would have the ability to meet it effectively. Consequently NATO employs three main levels of forces – conventional, theatre nuclear and strategic nuclear (the 'triad') – and successful deterrence requires a balanced combination of the three.

Warsaw Pact Capability

The statement points out that the forces that NATO needs to implement its defensive strategy depend in large measure upon the scale and character of the potential military threat posed by the Soviet Union and its Warsaw Pact allies, and it notes that the capability of these forces is formidable and growing. 'Soviet forces', it says, 'have in many areas been strengthened in size and quality on a scale which goes well beyond the need of any defensive posture.' For example, in the Eastern Atlantic area, the number of nuclear-powered submarines has increased by 136 per cent since 1968, while the number of missile-armed cruisers and destroyers has grown by 283 per cent. During the same period the number of Soviet main battle tanks in Central Europe has increased by 31 per cent, artillery by 38 per cent and fixed-wing tactical aircraft by 20 per cent. The current balance of forces in the Eastern Atlantic favours the Warsaw Pact by a ratio of 1·2 to 1 in surface ships and 1·4 to 1 in submarines. Similarly, in Central Europe the Warsaw Pact has an advantage over NATO of 1·2 to 1 in manpower, 2·7 to 1 in main battle tanks, 2·5 to 1 in artillery and 2·4 to 1 in fixed-wing tactical aircraft. The statement notes that these figures include French forces, which are not at present integrated into the military structure of NATO. Furthermore, the figures do not take account of two particular factors which are of concern to NATO: the state of readiness of Warsaw Pact forces in Europe and the continued introduction of advanced new equipment into those forces. The statement also adds that recent developments, in Africa for example,[1] have shown that the Soviet Union is ready and able to deploy military resources rapidly in support of its political interests in the Third World.

The statement gives details of some of the improvements in military equipment of Soviet and other Eastern European forces in the past five years, but points out that the exact amount of Soviet military expenditure is not known. The Soviet Union has not been willing to take part in the UN Secretary-General's proposals for a pilot study on standardised reporting of military expenditure, but Western estimates suggest that it must devote about 11-13 per cent of its gross national product to defence spending. In addition, it is clear that a very large proportion of the total goes on new weapons systems 'including an immense high-technology research and development programme over the entire range of military equipment'. The statement acknowledges that much of the Soviet equipment now reaching the front line in such large numbers probably derives from decisions taken several years ago, but it notes that there is no sign that more recent developments in the field of *détente* are leading the Soviet Government to slacken the pace of its military effort.

NATO Defence Effort

There has been a clear and collective recognition by NATO Governments of the need for an appropriate response to the continuing growth of the military capability of the Warsaw Pact, and the statement recalls that in May 1977 NATO defence ministers took three important decisions (see p 222, 1977). First, they agreed that member nations should aim at an annual increase in real terms of defence expenditure of about 3 per cent from 1979. Secondly, as agreed by the Heads of State or Government at the North Atlantic Council meeting in May 1977 (see pp 220-1, 1977), the Alliance will undertake a long-term defence programme to make NATO forces better able to meet the needs of the 1980s. Studies are being carried out in ten priority areas: readiness; reinforcements; mobilisation of reserves; maritime strategy; air defence; communications; command and control; electronic warfare; rationalisation; consumer logistics (including war reserve stocks); and the modernisation of theatre nuclear forces. A consolidated report is to be considered by the NATO summit meeting in the spring of 1978. Finally, to complement this effort, NATO defence ministers have agreed on an immediate programme of short-term measures, to be implemented by the end of 1978, in anti-armour defence, war reserve munitions and readiness and reinforcement. The Alliance will, for example, increase its holdings of anti-armour missiles by about one-third by the end of 1978, and similar improvements in stocks of other crucial munitions are planned. The statement then gives details of the improvements that Britain is making in each of the areas, including improved supplies of anti-tank missiles and the restoration of the commando carrier, HMS *Bulwark*, to full operational status.

[1]For example, the Soviet Union has recently sent military advisers and large amounts of military equipment to the Government of Ethiopia, which is engaged in a serious conflict with Somalia in the Horn of Africa. Cuban forces are also supporting the Ethiopians.

Britain participates fully in Alliance collaborative activities, and attaches the highest importance to efforts the Alliance is making to increase standardisation and interoperability of equipment. Within the framework of the Alliance, the Eurogroup continues to provide an important forum for strengthening the European contribution in this area, while the independent European Programme Group (EPG, see p 279, 1976, footnote 2) is recognised by all its members as the main body for equipment collaboration in Europe. The EPG has set up 11 groups to study possible future projects including tactical combat aircraft, helicopters and anti-tank weapons.

Britain's Contribution to NATO

Britain contributes to each of the elements of NATO's triad of forces and to each major NATO Command, and its military effort is mainly directed to the four areas where it can best help Alliance defence. The home base provides vital support for British forces assigned to NATO, including reinforcements for Allied Command Europe and aircraft of the Royal Air Force (RAF) Strike Command available to support operations by all three major NATO Commands. It also provides base facilities for United States forces stationed in this country or brought in as reinforcements. In the Eastern Atlantic and Channel, Britain contributes by far the largest part of NATO's readily available maritime forces. In addition to Nimrod maritime patrol, Buccaneer strike/attack, Phantom air defence and Vulcan and Canberra reconnaissance aircraft, virtually the whole of the Royal Navy – the third largest in the world – is assigned to NATO. In the Central Region of Europe, Britain provides the 55,000 men of the British Army of the Rhine (BAOR), which can be more than doubled in an emergency. BAOR is equipped with over 600 Chieftain tanks and over 2,000 other armed fighting vehicles. In addition, 12 squadrons of RAF aircraft are based in Germany in strike/attack, tactical reconnaissance, air defence and support roles. These forces play a vital role in NATO's forward defence. Finally, Britain provides theatre nuclear forces deployed by all three services, and also contributes with the Polaris force to NATO's strategic nuclear capability. The equipment for all these forces is constantly being improved, and, according to the latest NATO figures, Britain spent a higher proportion of its defence budget (21·8 per cent) on major new equipment in 1977 than any other of the 11 allies covered by the survey. It also maintains a wide-ranging research and development programme, accounting for 13 per cent of the defence budget.

Commitments Outside NATO

The armed forces also meet the commitments of the British Government outside NATO, including those which involve the security of dependent territories. Units of the Army and the RAF provide a garrison for the external defence of Belize; and a Royal Marines detachment remains in the Falkland Islands. In the Far East, units of all three services provide a garrison for the security of Hong Kong, and a Gurkha battalion is stationed in Brunei. In the Mediterranean, British forces are stationed in Gibraltar, in Malta until 1979, and in Cyprus to meet Britain's commitment to the United Nations Force and to provide for the security of the Sovereign Base Areas. Ships and aircraft of the Royal Navy and the RAF are deployed outside the NATO area from time to time, and take part in exercises with other countries. In 1977, it was necessary for forces to be deployed rapidly to Belize (see p 303, 1977) and to Bermuda.[1]

Defence Budget

The defence budget estimates for 1978-79 total £6,919 million. Of the total, £2,770 million represents expenditure on equipment (40 per cent), £1,492 million on forces' pay and allowances (22 per cent), £1,153 million on buildings and miscellaneous stores and services (17 per cent), £1,107 million on civilian pay (16 per cent), and £397 million on forces' pensions (5 per cent). A functional analysis of expenditure is contained in the table (see p 90).

Following the decision taken at the end of 1976 that defence should contribute towards the reductions in public expenditure required to strengthen the national economy (see p 23, 1977), the defence budget was reduced by £230 million, equivalent to £267 million at 1977 Survey prices. About half the savings, which were reduced to £261 million as a result of the 1977 Public Expenditure Survey, will come from the equipment programme, about one-fifth from works and accommodation stores, and the balance from miscellaneous changes. In September 1977 the Alliance expressed concern at the cumulative effect of successive reductions in the defence budget, but acknowledged the Government's success in keeping to a minimum the effect of the £267 million reduction on Britain's contribution to front-line forces (see pp 369-70, 1977). In 1977, defence expenditure accounted for 4·9 per cent of gross domestic product, compared with 5·1 per cent in 1976.

Plans for future levels of defence expenditure, which were published in the annual Government White Paper on public expenditure (see pp 50-1), provide for increases in the defence budget of 3 per cent in 1979-80 compared with the previous year, and a further 3 per cent in 1980-81. The provision for 1980-81 is subject to review in the light of economic circumstances. No decisions for the following year have yet been taken, since 'it will be necessary before reaching conclusions to take account of developments in arms control and defence as well as in the economy'.

The Defence Forces

Further sections of the statement provide information on the deployment and operations of Britain's defence forces, and give details of improvements and developments in their equipment and manpower over the past year. The combat forces consist of the nuclear strategic force, Royal Navy general purpose forces, European theatre ground forces, other Army combat forces and Royal Air Force general purpose forces. Expenditure on these forces in 1978-79, together with their military and civilian personnel strengths, is shown in the table.

[1]Following serious disturbances in Bermuda, British troops were sent to the island on 4 December 1977 to supplement the local security forces.

Operations and Exercises

The statement reports that the Government's policy for security in Northern Ireland continues to be based on the development of the Royal Ulster Constabulary as the instrument for the maintenance of law and order, and says that the armed forces, including the Ulster Defence Regiment (UDR), will remain as the 'essential buttress of this policy for as long as is necessary'.

In June 1977, the Secretary of State for Northern Ireland announced measures to increase the effectiveness of the Government's security policy (see pp 213-14, 1977), and the statement reports that there has been a progressive reduction in the general level of violence during the year, with a marked fall in the number of civilian casualties and of shooting and bombing incidents, and increasing success in bringing law-breakers to justice. In 1977, 1,308 people were charged with terrorist-type offences, including 266 with murder or attempted murder. The security forces found 590 firearms, 52,091 rounds of ammunition and 2·7 tons of explosive. The statements notes that regrettably there has been no reduction in the level of security force deaths, since 29 service personnel, including 14 members of the UDR, died during the past year.

British forces have continued to make significant contributions to NATO exercises during 1977, with emphasis being placed on demonstrating NATO integration and flexibility and the training of British regular and reserve soldiers on the European mainland. The number of exercises outside the NATO area during 1977 decreased, but the statement gives details of such activities which involved all three services.

Military Aid to the Civil Community

During the year, Army bomb disposal teams have continued to be available to assist local police forces in the event of bomb incidents anywhere in the country, and there is a joint force to support the police in counter-terrorist operations at Heathrow airport. From mid-November 1977 to mid-January, servicemen from all three services were deployed to assist the fire authorities in maintaining fire cover throughout the country during the firemen's strike. In all they attended 39,612 incidents, and at the peak of the operation some 20,000 servicemen were involved.

Ships and aircraft are deployed throughout the year for the protection of Britain's offshore oil and gas installations, and their ability to provide assistance quickly, together with the security of the installations themselves, are tested regularly in joint exercises carried out by the Ministry of Defence and civil authorities. Five new Island class ships, ordered specifically for offshore protection tasks, are now in service, together with four additional RAF Nimrod aircraft, and these can be augmented whenever necessary by other ships and aircraft. The Royal Navy and RAF are also called on to perform fishery protection and search and rescue duties. The task of fishery protection has increased since the extension of Britain's fishery limits on 1 January 1977 (see p 14, 1977) and has been performed with considerable success. During 1977, Royal Navy and RAF helicopters participated in 1,303 search and rescue operations; 917 lives were saved and four awards and one commendation for brave conduct were given to the officers and men concerned.

British forces have also been active overseas, giving assistance after the earthquake in the Solomon Islands in April 1977, and flying relief supplies to the disaster area after the cyclone in southern India in November 1977.

Equipment

Expenditure on equipment in 1978-79 is expected to total £2,770 million. Including associated personnel and other costs, total procurement expenditure for the period is estimated at £3,060 million. Of this, £2,184 million (71 per cent) will be spent on production (31 per cent on ships, ship equipment and weapons; 26 per cent on Army equipment and vehicles; 34 per cent on aircraft, aircraft engines, aircraft equipment and weapons; and 9 per cent on general support), and £876 million (29 per cent) on research and development.

Ships that entered service in the past year or that will be accepted this year include HMS *Invincible*, the first of a new class of anti-submarine cruisers; a Swiftsure class nuclear-powered submarine; four Type 42 guided-missile destroyers; four Type 21 and one Type 22 frigates; and one fleet replenishment ship.

Developments in the Army's equipment include the introduction of the tracked combat reconnaissance vehicles Striker, which carries the Swingfire anti-tank guided weapon system, and the command vehicle Sultan; the towed 155mm field howitzer FH 70 will begin to enter service early next year; and deliveries of the anti-tank guided weapon Milan (see p 99, 1977) will be accelerated. The RAF expect deliveries of the Tornado multi-role combat aircraft to start next year, and the air defence variant is now in full development, with the first of the three development aircraft under construction. Development is also in progress to convert 11 Nimrod aircraft to the airborne early warning role. In addition, an order for a further 24 Harrier aircraft has been placed, and deliveries should start next year.

Manpower and Reserves

The statement notes that recruitment to all three services has remained generally satisfactory over the past year, and, with the exception of several key RAF officer branches and certain other specialist areas, requirements have been met. Recruitment for the 12 months to 31 March 1978 is expected to total 39,800, compared with 40,244 the previous year.

Britain's armed forces totalled approximately 323,500 on 1 January 1978, of whom 75,500 were in the Royal Navy and Royal Marines, 163,100 in the Army and 85,000 in the RAF. The forecast total for 1 April 1978 is 322,300. The total number of civilian personnel employed by the Ministry of Defence in 1978-79 is estimated at 266,800. A functional analysis of personnel is contained in the table.

The statement also gives details of the strengths of the reserve and cadet forces. On 1 January 1978 the reserve forces totalled 251,500, of whom

176,200 were regular reserves, having reserve liability after a period of regular service, and 75,300 were volunteer reserves and auxiliary forces.

Cadet forces, which are voluntary youth organisations sponsored by the armed forces, totalled 141,100 on 1 January.

Functional Analysis of Expenditure and Manpower 1978-79

	Expenditure £ million	Military Personnel*	Civilian Personnel*
Nuclear Strategic Force	93	2,800	4,100
Navy General Purpose Combat Forces	1,017	32,400	8,400
European Theatre Ground Forces	1,251	101,800	28,200
Other Army Combat Forces	74	14,100	6,900
Air Force General Purpose Forces	1,107	53,700	11,600
Reserve and Auxiliary Formations	122	2,500	3,600
Research and Development	872	1,300	33,700
Training	604	71,600	20,500
Production, Repair and Associated Facilities in the United Kingdom	449	9,900	88,300
War and Contingency Stocks	178	—	—
Other Support Functions	1,255	42,400	61,500
Miscellaneous Expenditure and Receipts	—103†	—	—
Total	6,919	332,500	266,800

*These are average strengths and include locally enlisted personnel.
†Includes Anglo-German offset receipts.

European Community

During a debate in the House of Commons,[1] Mr Frank Judd, Minister of State for Foreign and Commonwealth Affairs, made a speech in which he discussed the relations between Britain and its partners in the European Community. At the political co-operation meeting in February, the Community's foreign ministers agreed on the course to be followed in the final stages of the Belgrade CSCE follow-up meeting (see p 11), and discussed recent developments in Africa.

BRITAIN AND THE COMMUNITY

Opening a debate in the House of Commons on 23 February on the latest of a six-monthly series of White Papers, *Developments in the European Communities, July-December 1977* (see p 105), the Minister of State for Foreign and Commonwealth Affairs said that the occasion provided an opportunity for a 'stock-taking' of Britain's position in the European Community, 'particularly at a time when British attitudes towards the Community have been widely scrutinised, if not criticised'. Although there had been, and would continue to be, 'honest disagreements' about the merits of Britain's membership, 'I believe', he said, 'that the decision is behind us'. Britain's task should be, as the Prime Minister had said, 'to defend the essential elements of a distinctive policy towards the EEC that will meet the legitimate concerns and interests of the British people and will strengthen unity and democracy in Europe' (see p 408, 1977).

Democracy and the Community

Every six months that passed, said Mr Judd, increased and deepened British experience of Community membership, and Community experience of British membership. Britain had a tradition of 'pugnacious and combative' democracy, and other member states were sometimes misled by the forthrightness with which Britain defended its interests into thinking that its underlying commitment to the Community was at issue. In fact the reverse was true, and other member states should remember Britain's long candidature and the polarisation of attitudes that that had entailed. 'I am convinced', said Mr Judd, 'that where important national interests need to be reconciled in establishing a common policy, it is important that this should be done by an honest and open confrontation of the perfectly legitimate interests that have to be brought together'.

Moreover, the Community had to prove itself to be a collection of democratic states, and not an authoritarian institution. In history, the Community would be judged by the integrity and vigour of the debates between ministers in their search for solutions in the interests of the widest possible cross-section of its people, 'not by the smooth, manipulative techniques of technocratic government'.

Benefits and Obligations of Membership

Britain had also to contend with the dangers of widening disparities within the Community, which

[1]*Hansard*, 23.2.78, cols 1724-830.

were the result, not of Community membership, but of the differing impact of increased oil prices and the worst world recession in 40 years. But the Community had to provide a framework 'within which we can secure our national position, not at the expense of other members but by working with them'. The past six months had given some good examples of this process, and the Minister of State cited, as examples of positive gains that Britain had derived from the Community, the agreement to set up the Joint European Torus project in Britain (see p 410, 1977), the decision on contributions by Britain and other new member states to the Community budget in 1978 and 1979 (see p 411, 1977), and the agreement on shorter drivers' hours for domestic road passenger and goods traffic (see p 411, 1977). On the other hand, against those who argued that Britain did not put enough into the Community, Mr Judd drew attention to Britain's substantial net contribution to the Community budget; the valuable market that Britain offered to its partners; the relatively small proportion of agricultural guarantee payments which came to Britain as compared with those which went elsewhere; and the vital contribution made by British consumption of butter – some 25 per cent of the Community butter market.

However, such a 'score-card' approach was unsatisfactory, and if the impression was given that one member state was simply interested in chalking up its successes, this was likely to frustrate future negotiations by creating the counter-productive impression that membership of the Community was narrowly self-interested. The Community had to maintain a balance between national and common interests, and between the narrow interests of its members and its responsibilities to the world at large. Britain continued to play a distinctive role, and those who criticised it were often complaining about its political style and traditions rather than its 'substance'.

Britain had shown itself ready to contribute as well as to take advantage of Community membership, and Mr Judd recalled that in October 1977 the *Economist* magazine had reported that, in a list of countries being prosecuted by the European Court for failure to fulfil Community obligations, Britain stood sixth on the list with 12 outstanding cases, while Italy had 41, France 35, Belgium 21, Holland 20 and the Federal Republic of Germany 17.

Turning to the issue of direct elections to the European Parliament, the Minister of State felt that more attention had been paid to the failure to meet the May-June 1978 target date than to the vital democratic debate that had accompanied the passage of the implementing legislation and to the commitment of the Government to the holding of such elections (see p 40). On the other hand, on the issue of the sixth directive on value-added tax, which was vital to the Community changing to the 'own resources' budgetary system (see p 16, 1977), only Belgium and Britain had completed the domestic legislation by the agreed target date of 1 January 1978, and consequently there would be a delay of at least another year before the system could come fully into effect.

The Question of Fisheries

Dangers arose for the Community when the balance between national and Community interests was upset, and fisheries was a good example of this. Mr Judd felt that considerable progress had been made towards recognising the need for a fair revision of the common fisheries policy, and this was reflected in the development of the thinking about quotas and conservation (see pp 46-7). He hoped that the gap which remained between the two sides could be bridged without too much delay. When negotiations resumed, Britain would look for 'a pragmatic solution, consistent with Community law', but 'it must also be seen to secure the interests of our industry if the balance is not to be upset in a way which would have a damaging and long-term effect on British attitudes to the Community'.

Problems Facing the Community

The greatest problems facing Britain and the Community were the major questions of growth, inflation and unemployment, which threatened the whole world. Recognising that Community Governments alone could do little to make a positive impact on these problems, the Minister of State said that improvements would come largely through an increase in the level of economic activity, and he went on to describe steps taken recently by the Community to achieve this goal, including the agreement in principle to raise a loan of 1,000 million ua to promote investment (see p 8), the increase in the Regional Development Fund (see p 7) and the extension of the Multi-Fibre Arrangement (see p 8).

Mr Judd then outlined some future developments that it would be desirable for the Community to follow. On the question of overseas aid, he said that Britain had many times impressed on its Community partners the need for a much more substantial programme of aid to non-associates of the Community, some of which were among the poorest nations in the world. It was also necessary to press for the inclusion in the new Lomé Convention, on which preliminary discussions had just started, of a provision 'allowing the Community to cut off aid to any state which is grossly infringing human rights or to ensure that aid is limited to items which benefit the people, not the regime'.

Mr Judd also discussed three areas of Community policy that had been singled out by the Prime Minister as of special importance: reform of the common agricultural policy; the development of a Community energy policy; and the question of the enlargement of the Community (see p 409, 1977).

In conclusion, he said that the gravity of international economic problems should not be underestimated, and that the Community would not solve for Britain the basic issues of growth, inflation and unemployment. It could, however, assist in their solution since it provided 'a framework within which to pursue many of our objectives, both external and domestic', but this in turn demanded a balance between national and Community interests. Britain was looking for reforms within the Community, 'but in a constructive spirit, aimed at strengthening the unity of the people of Europe within a democratic framework'. With enlargement, changes in the character of the Community were bound to take place, but these should come gradually and take account of the social problems involved. The

resources of the Community were limited and had to be deployed to the best effect if the Community were to make a greater impact on the problems of economic divergence 'which are the real impediments to the development of its full economic and political effectiveness'.

Opposition Views

For the Opposition, Mr Douglas Hurd, a Conservative spokesman on foreign and Commonwealth affairs, emphasised the benefits arising from Britain's being represented by the Community in discussions and negotiations on international trade. He believed that, because of the requirement for unanimous agreement, the Community's method of decision-making was 'slow and weak', and this made it all the more important to try to improve the way in which the Community takes decisions by establishing the habit and discipline of working together more effectively than we do now'. Mr Hurd defended the principle of protecting national interests within the Community, and said he did not dissent from the Government's policy on fisheries negotiations and reform of the common agricultural policy, but he felt that most ministers had allowed 'the bargaining strength of this country, as measured against agreements reached, to run down to a dangerously low level'. In addition, he said that the political case for enlargement of the Community was 'overwhelming', although he did recognise that this would create 'great problems'. At the end of the debate, the motion to take note of the White Paper was agreed without a division.

POLITICAL CO-OPERATION MEETING

Foreign ministers met in Copenhagen on 14 February at one of their regular political co-operation meetings. In a House of Commons written answer on 16 February (*Hansard,* col 333), the Foreign and Commonwealth Secretary, Dr David Owen, stated that the ministers had decided on the course which the Nine would follow in the concluding stages of the Belgrade meeting' (see p 11). The major part of the political co-operation meeting had been devoted to the problems of Africa, particularly Southern Africa. 'The Nine', he said, 'fully endorse the initiative of the five western Security Council members over Namibia[1] and they maintained their support for Anglo-United States efforts to bring about a peaceful settlement in Rhodesia' (see pp 338-40, 1977). Dr Owen went on to say that the Nine had expressed their grave concern at the situation in the Horn of Africa, and their support for the Organisation of African Unity (OAU) efforts to bring about a negotiated settlement.[2] The Nine had recognised that the United Nations might be able to play a role in supporting those OAU efforts.

[1]Separate discussions on Namibia (see p 259, 1977) were held in New York on 11 and 12 February between foreign ministers of the five western Security Council members (Britain, Canada, France, The Federal Republic of Germany and the United States) and the South African Foreign Minister, Mr Botha, and between the Five and leaders of the South West African People's Organisation (SWAPO).

[2]The OAU is attempting to mediate a negotiated settlement in the conflict between Somalia and Ethiopia over the Ogaden area in Ethiopia (see p 87, footnote 1).

Rhodesia

Following three months of negotiations (see p 409, 1977) a settlement agreement between Mr Ian Smith, the leader of the illegal Rhodesia regime, and internally based nationalist leaders was signed in Salisbury on 3 March. The agreement provides for the incorporation of certain fundamental principles within an independence constitution and also for the establishment of a transitional government to steer the country to independence by 31 December, 1978. The transitional administration would be led by an Executive Council composed of Mr Ian Smith, Bishop Abel Muzorewa, the Reverend Ndabaningi Sithole, and Chief Jeremiah Chirau, the signatories to the agreement and leaders of the parties[1] responsible for the negotiations. The Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen, said that the agreement was 'an important first step' and that the progress made owed a lot to the Anglo-United States initiative (see pp 338-40, 1977). A British Government spokesman said on the same day that the proposed interim government would remain illegal until recognised by the British Parliament. In discussions in Washington on 8 March, attended by Dr Owen, President Carter and the United States Secretary of State, Mr Cyrus Vance, Britain and the United States decided to ask all the parties to the Salisbury and Malta[2] talks to meet with a view to widening areas of agreement and establishing an acceptable machinery to achieve common objectives. On 14 March the United Nations Security Council condemned the Salisbury agreement as 'illegal and unacceptable'. Britain was among five Western countries which abstained.[3]

The Salisbury Agreement

The text of the internal settlement signed in Salisbury on 3 March states that the parties had reached 'agreement on certain fundamental principles to be embodied in a new constitution that will lead to the termination of sanctions and the cessation of the armed conflict'.

Independence Constitution

The agreement states that 'a constitution will be drafted and enacted which will provide for majority rule on the basis of universal adult suffrage'. It will also provide for a 100-member Legislative Assembly to which the following provisions will apply:

1 a common voters' roll with all citizens of 18 years and over being eligible for registration as

[1]These are respectively the illegal Rhodesia government, the United African National Council, the African National Council (Sithole), and the Zimbabwe United People's Organisation.

[2]Dr Owen had met the leaders of the Patriotic Front, Mr Mugabe and Mr Nkomo, in Malta from 30 January to 1 February to discuss the military and associated arrangements necessary to effect the transition to majority rule in Rhodesia, in accordance with Security Council resolution 415 (see pp 414-5, 1977). The meeting followed discussions on these matters with other nationalist leaders and with the illegal regime.

[3]This will be covered more fully in a subsequent issue.

voters, subject to certain recognised disqualifications;

2 72 of the seats to be reserved for blacks elected by voters enrolled on the common roll;

3 28 of the seats to be reserved for whites, of which 20 will be elected on a preferential voting system for white voters enrolled on the common roll, and eight by voters enrolled on the common roll from 16 candidates nominated by an electoral college composed of the white members of the present House of Assembly (on future occasions the electoral college will comprise the 28 white members of the previous Parliament);

4 the 28 seats reserved for whites to be retained for a period of at least ten years or two Parliaments, whichever is the longer, and if, at the end of this period, a duly appointed review suggests that they should be changed, then a Bill to that effect would require the affirmative votes of not less than 51 members and would need to provide that the other 72 seats should no longer be reserved for blacks; and

5 members filling the 28 seats reserved for whites to be prohibited from forming a coalition with any single minority party for the purpose of forming a government.

The constitution will also make provision for:

1 a just Declaration of Rights which will protect the rights and freedoms of individuals and, *inter alia*, will provide for protection from deprivation of property unless compensation is paid promptly, and for protection of pension rights of persons who are members of pension funds;

2 the independence and qualifications of the judiciary to be entrenched and for judges to have security of tenure;

3 an independent Public Services Board, which will be responsible for appointment to, promotions in, and discharges from, the public service;

4 the public service, police force, defence forces and prison service to be maintained in a high state of efficiency and free from political interference; and

5 pensions payable from the Consolidated Revenue Fund to be guaranteed and charged to the Consolidated Revenue Fund and to be remittable outside the country.

'The above mentioned provisions', the agreement states, 'will be set out or provided for in the constitution and will be regarded as specially entrenched provisions which may only be amended by a Bill which receives the affirmative votes of not less than 78 members.'

The Transitional Government

'The next step will be the setting up of a transitional government', the agreement continues, whose prime function would be to bring about a ceasefire and to deal with related matters such as the composition of the future military forces, including those members of the nationalist forces who wish to take up a military career, and the rehabilitation of those affected by the war. It would also deal with the release of detainees; the review of sentences for political offences; the removal of discrimination; the creation of a climate conducive to the holding of free and democratic elections; the drafting of the new constitution in terms of the agreement; and procedures for the registration of voters with a view to holding a general election at the earliest possible date.

The transitional government would consist of an Executive Council and a Ministerial Council. The Prime Minister and three black ministers, the heads of those nationalist delegations who had participated in the negotiations, would form the Executive Council. Its members would take turns in presiding as chairman of the Executive Council in such sequence and for such a period as that council may determine. Decisions would be reached by consensus. The Executive Council would ensure that the duties imposed on the transitional government by the constitutional agreement were dealt with as expeditiously as possible.

The Ministerial Council would be composed of equal numbers of black and white ministers, the black ministers being nominated in equal proportions by the heads of those delegations engaged in the agreement. The Prime Minister would nominate the white ministers, and the chairmanship would alternate between black and white ministers. The Ministerial Council would operate on the Cabinet system and for each portfolio there would be a black and a white minister who would share responsibility. It would take decisions by majority vote and would be subject to review by the Executive Council.

Parliament, the agreement states, would continue to function during the life of the transitional government and would meet when summoned by the Executive Council for the following purposes: to pass a constitutional amendment enabling ministers who have not been elected to Parliament to serve for periods in excess of four months; to pass legislation for the registration of voters; to pass the 1978-79 budget; to enact legislation on any other matter brought forward by the transitional government – for example, for the further removal of discrimination; to enact the new constitution; and to nominate 16 whites for election to eight of the seats reserved for whites. The work of the various select committtees would proceed as normal.

The agreement concludes with the statement that 'it is also hereby agreed that Independence Day shall be 31 December 1978'.

British Views

In a statement to the House of Commons on 6 March (*Hansard*, cols 973-81) the Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen, said that he had discussed the agreement signed in Salisbury with Bishop Muzorewa and that he was in close touch with the United States Secretary of State, Mr Cyrus Vance. 'Britain and the United States', Dr Owen stated, 'will continue to do everything possible to widen the areas of agreement and to help resolve the major outstanding problems, in particular how to ensure a genuine transfer of power to the majority and stable conditions in which fair and free elections

can take place and all the nationalist leaders can take part.'

Replying to questions, Dr Owen explained that Britain's position was clear and that he was not 'prepared to condemn or to support what is at this stage an important first step but one on a path along which there is much further to go. . . . The time when we would make the final judgment', he continued, 'is still open to question. But there is no doubt that the world will expect Britain to ensure that there is a constitution; that there have been fair and free elections; and that on independence there has been a genuine transfer of power. The world will not expect us to give away all the things we have on the form of a final settlement until that full transfer of power has taken place.'

On the question of the Patriotic Front, Dr Owen emphasised that it was a 'very important part of his role to involve all the nationalist leaders'. He would do so in every way open to him, adding that 'this will obviously have to be pursued in further discussions'. He agreed that it was 'very important to do everything possible to involve the Patriotic Front and all the nationalist leaders'. He also confirmed that 'there must be a test of opinion – of all African opinion – as to the agreement's overall acceptability. This must take account of the constitution and of the basic change towards a new, independent Zimbabwe.' The settlement proposal, Dr Owen said, was 'a serious issue which needs to be taken steadily and in good time.' He believed that the progress that had been made owed 'much to the Anglo-United States initiative and the steady pressure that has been applied'. He was 'unrepentant in going for . . . an ideal solution, which is a ceasefire and total participation of the nationalist leaders'. It has been, he explained, 'a central part of the Anglo-United States initiative that there should be fair and free elections and that all the nationalist leaders should participate freely and fairly and no one side should claim a dominant position. That is still our major objective'.

Other Views

On 4 March the United States Secretary of State, Mr Cyrus Vance, referred to the Salisbury agreement as a significant development. A statement issued by the United States Government on the same day said that the Government would continue to work closely and harmoniously with Britain and that, where the fundamentals were concerned, Britain and the United States were in agreement.

In a communiqué issued on 4 March, in Maputo, the Patriotic Front rejected the internal agreement, saying that it was 'completely bogus and left both political and military power in the hands of the settler minority'. It reiterated that 'the only valid forum it recognises is that which comprises Britain as the colonial power and the Patriotic Front as the authentic expression of the Zimbabwean masses.' It was on this basis that they advocated 'negotiations that rest on the Anglo-American proposals'.

President Kaunda of Zambia, one of the Front-Line States, criticised the internal settlement proposals as offering less than the Kissinger proposals (see pp 386-7, 1976) in that they left all the instruments of power in the hands of Ian Smith. Speaking in a television interview in Lusaka on 3 March, he said that Zambia would continue to support the freedom struggle as long as any vestiges of colonialism remained in Rhodesia.

Conference Proposals

In a statement issued on 10 March, Dr Owen explained that the proposals for a new conference, first announced by President Carter in a press conference on the previous day, represented an 'attempt to bring together all the parties to the Malta and Salisbury talks with a view to widening the areas of agreement. Our aim', he continued, 'is to secure a genuine and irreversible transfer to majority rule. We believe that all the nationalist leaders have the right to be involved in this process'. Britain and the United States, Dr Owen stated, 'have not rejected the individual component parts of the internal settlement proposal, where they are consistent with the Anglo-United States proposals. But the internal settlement plan, though a step in the right direction, is not adequate . . . It is seriously defective in a number of areas to which we attach major importance', Dr Owen explained, 'in particular, the need that in any transition there should be definite agreement on how to deal with the critical issue of law and order and the necessity of ensuring that control during this period is not left in the hands of the regime. Without agreement on these issues', Dr Owen concluded, 'we will certainly not achieve a ceasefire and it will be extremely difficult to hold fair and free elections'.

ECONOMIC AND SCIENTIFIC AFFAIRS

British Aid Statistics 1976

The net official flow of resources from Britain to developing countries in 1976 totalled £480 million, of which £462 million, or 0·38 per cent of gross national product (GNP), represented official development assistance (see below). Net private flows in 1976 amounted to £3,450 million, bringing the total flow figure to £3,929 million, some 3·22 per cent of GNP. The private flows included £2,725 million in long-term foreign currency loans raised by developing countries in the London capital market, £468 million in long-term investment overseas by British companies, and £231 million in export credits. Grants by voluntary societies for overseas development totalled £26 million.

Gross Official Flows

Figures given in the annual *British Aid Statistics*,[1] prepared by the Ministry of Overseas Development (ODM) and published in February, show that the gross official flow of resources from Britain to developing countries in 1976 totalled £540·3 million. Of this, total public expenditure on overseas aid accounted for £513·6 million, and £26·75 million represented additional aid flows from official sources. Capital repayments on previous loans totalled £60·6 million (including £12·5 million on additional aid flow loans), thus giving a net official flow figure of £479·7 million.

Of the £513·6 million gross public expenditure on overseas aid, £376·3 million was bilateral (country-to-country) aid, which was disbursed to some 120 countries, and £137·2 million was multilateral aid given through international agencies. Some £127·4 million of bilateral aid was provided as technical co-operation, all in grant form, the remainder being financial assistance, made up of £169·2 million in grants, £53·8 million in inter-governmental loans and £25·9 million in investment by the Commonwealth Development Corporation (see pp 229-31, 1977). Multilateral aid, which was all in grant form, comprised £27·8 million in technical co-operation funds and £109·2 million in financial aid.

Disbursement Patterns

Over 74 per cent of bilateral aid, £278·2 million, went to Commonwealth countries, including £33·2 million for Britain's dependencies, which remain a first charge on the aid programme, and £8 million to the Associated States in the Caribbean. Of the remainder, £56·4 million was disbursed to non-Commonwealth countries and £41·6 million for the benefit of both Commonwealth and non-Commonwealth countries. The largest individual recipient was India with £109·3 million, followed by Kenya (£21 million), Malawi (£16 million), Bangladesh (£13·7 million), Zambia (£11·4 million) and the Solomon Islands (£9·4 million). Outside the Commonwealth, the major recipients were the Sudan (£7·9 million), Pakistan (£6·6 million), Ecuador (£4·8 million), Indonesia (£4·9 million) and Jordan (£3·9 million).

In line with Britain's policy of concentrating its aid on the poorest developing countries and the poorest groups (that is, the rural poor) in these countries, £196·5 million of bilateral aid was disbursed to countries with *per capita* incomes of $280 or less while £115·4 million, 75 per cent of project aid, was provided for the benefit of rural populations compared with £69·1 million (60 per cent) in 1975.

Loans

In addition to inward capital repayments on previous public expenditure loans amounting to £46·3 million, developing countries paid Britain during the year £41·3 million in interest on such loans. However, since 1965 most new loans have been on interest-free terms. In 1976 some £39·9 million (75 per cent) of the £53·8 million intergovernmental loans disbursed were interest free. New intergovernmental loan commitments entered into in 1976 totalled £22·6 million, of which £11·8 million was interest free. Grant commitments in 1976 totalled £212·7 million. This reflects the policy, which began in 1975, of providing aid to countries with *per capita* incomes of $200 or less on grant terms only unless a country's income prospects are such to make this an inappropriate concession.

Overseas Service

There were 7,736 men and women financed bilaterally from public funds and recruited in Britain serving in developing countries at the end of 1976. Of these, 5,317 were serving under the Overseas Service Aid Scheme or similar supplementation schemes (under which they are in the service of the overseas Government as teachers, doctors, nurses, etc, but receive supplementary salary and other payments from the British Government); 1,053

[1] *British Aid Statistics 1972-1976*. HMSO, £6·25. ISBN 0 11 580208 8.

under regional technical co-operation schemes; 8 under Commonwealth Education Co-operation arrangements; 118 under British Council schemes; 27 under the auspices of the Inter-University Council for Higher Education Overseas; 55 on research schemes and 1,158 as volunteers under the British Volunteer Programme. The number of such personnel recruited during the year was 2,850 of which 1,078 were volunteers. In addition, 179 experts were appointed under multilateral technical co-operation arrangements to serve in developing countries under the United Nations and its specialised agencies.

Of the British-financed personnel overseas at the end of 1976, the largest numbers, some 3,580, were employed in the education sector, followed by 1 694 in economic infrastructure, 958 in public administration, 932 in agriculture and allied fields and 572 in health and social welfare. Of the volunteers alone, 760 were serving in education.

Students in Britain

At the end of 1976 there were 6,842 students and trainees from developing countries on courses in Britain financed from public funds under technical co-operation arrangements. Of these, 4,793 came from Commonwealth countries, the greatest number from Rhodesia (1,130),[1] followed by India (293), Tanzania (257), Malaysia (226) and Bangladesh (219). The main fields of study were engineering, education, medicine, natural sciences and social sciences including economics.

United Nations Targets

In recognition of the special importance of official development assistance (this, which differs slightly from total public expenditure on overseas aid, is the international basis for reporting on aid performances and is defined as official flows for development purposes with a grant – concessional – element of 25 per cent or more), the strategy for the Second UN Development Decade, adopted in 1970, included a recommendation that each developed country should progressively increase its official development assistance to the developing countries and exert its best efforts to contribute a minimum net amount of 0·7 per cent of its GNP to them by the middle of the decade. Britain has accepted in principle the 0·7 per cent GNP target and will seek to move towards it as best it can in the years ahead, its progress being dependent on the pace of its own economic recovery and other calls on its resources. In 1976 the net official flows total of £479·7 million represented 0·39 per cent of GNP (the same proportion as in 1975). Of this, £462 million, or 0·38 per cent of GNP, qualified as official development assistance, and £18 million, or 0·01 per cent of GNP, as other official flows. The equivalent proportions in 1975 were 0·37 per cent and 0·02 per cent respectively. Britain also accepts the UN target of 1 per cent of GNP for total net financial flows (that is, official aid, private investment and other flows) to developing countries, and these totalled £3,929 million or 3·2 per cent of GNP in 1976.

[1]Training in Britain for Rhodesian students is provided under the United Kingdom Special Programme for Rhodesian Africans. This programme was considerably expanded in 1975.

Energy Policy

A consultative document containing the Government's proposals for developing its long-term energy policy, and suggesting a possible strategy, has been published as a Green Paper. The Green Paper considers the world supply and demand prospects, and reviews the potential contribution of Britain's main energy sources to meeting its energy requirements. It notes that Britain, with its very large reserves of coal, substantial reserves of oil and gas and a sizeable amount of depleted uranium (which would be used as an energy source if the fast breeder reactor were developed), is in a favourable position for indigenous energy supplies compared with most industrial countries. With the growth of offshore oil and gas production, Britain can expect to be at least self-sufficient in energy and possibly a net exporter for several years from 1980 onwards, although by the year 2000 some energy imports may be necessary as indigenous oil and gas production declines. The strategy outlined is based on the creation of further capacity in the coal industry, a capability for a quick expansion of nuclear power if necessary, the avoidance of too rapid a decline in offshore oil and gas production, and full exploitation of the opportunities to use energy more economically. The Green Paper says that this would give Britain 'substantial flexibility to take up a variety of options towards the end of the century as future developments enable their relative merits to be assessed more precisely'.

GREEN PAPER

In a foreword to the Green Paper,[1] published on 13 February, the Secretary of State for Energy, Mr Anthony Wedgwood Benn, describes the recent progress made in developing a soundly based and widely accepted framework for the national energy strategy. In June 1976 a National Energy Conference was held (see pp 293-4, 1976) and in 1977 the Energy Commission was established (see pp 272-3, 1977). At its first meeting in November 1977 the commission considered the *Working Document on Energy Policy* (for publication details, see p 470, 1977). The Green Paper, which is based on this document, incorporates the commission's comments and up-dated material, and sets out the Government's energy strategy proposals on which comments are invited. It is intended that the strategy will be kept under review by the commission and revised regularly. The Green Paper looks in detail at the prospects to the end of the century and more tentatively into the twenty-first century. It does not put forward a fixed plan but suggests a flexible strategy which would need to be kept under review and adjusted in the light of developments both in Britain and world-wide.

[1]*Energy Policy: A Consultative Document.* Cmnd 7101. HMSO, £2·15. ISBN 0 10 171010 0.

World Energy Supply and Demand Prospects

The Green Paper says that up to 1985 oil produced by countries belonging to the Organisation of Petroleum Exporting Countries (OPEC) is likely to remain the world's 'marginal' fuel (the fuel that fills the gap between energy demand and indigenous supply). However, oil is the fuel closest to exhaustion and world oil production may reach a peak in the early 1990s, declining thereafter, so that by the year 2000 it will almost certainly have ceased to be the world's marginal fuel and its place will have been taken by nuclear electricity or possibly coal. Fossil fuels will probably be insufficient to satisfy world energy demand by 2000 and countries will have to employ a combination of conservation measures and the development of other sources of supply, which are likely to be required in increasingly large quantities. The only source of energy likely to be able to meet the need is nuclear electricity and, assuming its public acceptance and widespread availability, a substantial programme of nuclear power station construction is envisaged by the end of the century. The requirement for nuclear power may be such that, on present uranium supply prospects, it could only be satisfied by the large-scale use of the fast reactor (see p 99). Even so, a world energy 'gap' between demand and supply may occur, resulting in higher energy prices, enforced conservation and lower economic growth.

Potential Contribution of Britain's Energy Resources

In examining the contribution of Britain's indigenous resources to meet its energy requirements, the Green Paper notes that Britain is well placed by comparison with most industrial countries. Although there are no proven reserves of uranium ore, there are substantial reserves of oil and gas (see pp 194-8, 1977) and considerable reserves of coal. In addition, depleted uranium from past operations of the nuclear power programme constitutes a very large reserve of energy, equivalent, if used in fast reactors, to some 40,000 million tons of coal (1 ton = 1·016 tonnes). Although prospects in the short term and medium term are promising, with Britain being at least self-sufficient in and possibly a net exporter of energy for some years from 1980 onwards, Britain will not be insulated from the long-term difficulties of world energy supply expected to develop towards the end of the century. Supplies of North Sea oil and gas will probably be declining by this time, although the decline for gas would occur somewhat later if an optimistic assessment of the reserves proved to be justified.

Large savings in energy use are considered to be possible through a sustained programme of energy conservation measures. The Government has recently announced an 11-point programme (see pp 21-2) and intends to bring forward further measures when necessary. Coal's potential contribution is very great, with total known resources of some 190,000 million tons, of which the National Coal Board assesses that 45,000 million tons may be recoverable, sufficient to allow production to continue at the current rate for over 300 years. A major investment plan in the coal industry is in progress (see pp 125-6, 1977). Nuclear energy is most suitable for supplementing or replacing fossil fuels in electricity generation, and the need for nuclear energy may grow as electricity demand increases, particularly if fossil fuels become scarcer and more expensive. The Government has recently announced its views on the thermal reactor strategy (see p 70) and is reviewing its policy on the development of the fast reactor. Renewable sources of energy (wave power, solar energy, wind power, geothermal energy and tidal power) are at an early stage of development in Britain and accordingly the contribution by the year 2000 will be very limited.

Long-term Prospects and Suggested Strategy

The main influence on energy demand is likely to continue to be the rate of economic growth. Current energy forecasts in the Green Paper are related to two alternative assumptions about the future rate of growth; with the higher rate, primary fuel demand would rise from 341 million tons of coal equivalent (mtce) in 1975 to 560 mtce in 2000 (314 mtce and 490 mtce for energy uses respectively), and with the lower rate of growth it would rise to 450 mtce in 2000 (390 mtce for energy uses). Bearing in mind the uncertainty about the size of the contribution of the various sources, indigenous supply in 2000 might be around 475-515 mtce (170 mtce from coal, 95 mtce from nuclear and hydro-electricity, 50-90 mtce from natural gas, 150 mtce from indigenous oil and 10 mtce from renewable sources). If the higher rate of growth occurred, there might be a deficit between demand and supply, and Britain might then need to import some 45-85 mtce of primary fuel a year.

The Green Paper says that the combination of energy sources that would prove most advantageous in meeting Britain's energy needs in 2000 and thereafter cannot be forecast with any precision. As 2000 approaches, some of the uncertainties will be resolved, the desirable pattern will become clearer, and the Government will be better able to take the specific decisions which will determine the precise future pattern of the energy economy. A wide range of supply options should be developed, so that there will be some freedom of manoeuvre in taking these decisions, and the energy strategy requires the following action:

Coal: Further new capacity should be created, over and beyond the 'Plan for Coal', to begin production mainly in the late 1980s and 1990s.

Nuclear Energy: There is a need to have a capability to expand nuclear power rapidly in the late 1980s and 1990s if that course proves to be acceptable and economically desirable. The requirements include an established and proved reactor system or systems, and possession of, or access to, fast reactor technology.

Oil and Gas: The objective should continue to be to avoid too sharp a peak in production and too fast a decline after the peak has been reached.

Energy Conservation: Opportunities for using energy more economically must be fully exploited.

Renewable Resources: The technological potential and economic viability of these resources need to be established.

The Green Paper says that the suggested strategy provides substantial flexibility for decision-taking on the options possible towards the end of the century and Britain should 'be in a good position to meet the needs of the twenty-first century'. Large-scale capital investment will be required from the late 1980s onwards in new energy sources to offset declining offshore oil and gas production.

Within about the next two years decisions will be required on a number of issues: the future of the fast reactor, other decisions on ordering power stations, the construction of a gas-gathering pipeline (see p 34, 1977), the reinforcement of energy conservation policies, the further development of a strategy on energy research and development, and the application of the principle that energy prices should reflect the real cost of providing continuing supplies.

The strategy has a number of important implications for consumers: the average level of energy prices will rise, perhaps doubling in real terms by the year 2000; fuel price relativities will change; and, if the strategy is successful, energy supplies will be adequate but a consumer will not necessarily be able to continue to use the fuel he is using now.

Report on Windscale

Outline planning permission for a new thermal oxide reprocessing plant (THORP) at Windscale (Cumbria) has been recommended in a report by Mr Justice Parker, the inspector who conducted the public inquiry into the project in 1977. The report concludes that such a plant for reprocessing spent fuel from both British and overseas reactors is desirable and that a start should be made without delay. Windscale, which houses existing facilities for reprocessing, is considered to be the most suitable site. Mr Justice Parker believes that the advantages of reprocessing spent fuel from overseas clearly outweigh the disadvantages and that the plant should be double the size required for dealing solely with spent fuel from British reactors. Members of Parliament will be debating the report in the near future and, subject to the debate, the Secretary of State for the Environment will lay an Order before Parliament authorising the project.

GOVERNMENT STATEMENT

The report by Mr Justice Parker was published on 6 March.[1] In a statement in the House of Commons (*Hansard*, 6.3.78, cols 981-3), the Secretary of State for the Environment, Mr Peter Shore, said that the report analysed 'in a masterly way' the issues involved, and the conclusions reached were 'persuasive and broadly acceptable'; under the normal procedure he would move to take his final decision. However, Mr Shore said that he was conscious of the widespread desire of MPs to debate the broad issues of national and international significance involved and he believed that great benefit to Britain's democracy would flow from such a debate. In order to allow such a debate, while avoiding a protracted process of further consultation and a possible need to reopen the inquiry, he had to dispose of the planning application in the only way consistent with this objective. Accordingly he would refuse the present application for planning permission, but, subject to the debate (which will be held on 22 March), he proposed to lay before Parliament shortly afterwards a Special Development Order under the Town and Country Planning Act 1971 which would authorise the project. The Order would contain the terms of planning permission for the proposed development at Windscale, subject to conditions on the lines recommended by the inspector.

INSPECTOR'S REPORT

Background to the Application

Reprocessing of 19,000 tonnes of spent metal fuel has been carried out at Windscale since 1952, operated by British Nuclear Fuels Ltd (BNFL, which provides nuclear fuel services[1]), originally to separate plutonium for weapons use and, more recently, in connection with the civil nuclear programme. Reprocessing involves the separation of spent fuel from nuclear reactors into uranium (eventually re-used in fuel for existing types of reactor), plutonium (mainly stored for re-use, either in existing reactors, or, for the future, fast breeder reactors, if these are developed commercially), highly active waste (currently stored) and low and medium active wastes (disposed of or stored). BNFL's plans for developing the Windscale site include refurbishing its facilities for reprocessing fuel from the Magnox reactors, a demonstration plant for vitrification of the highly radioactive wastes (their conversion into a solid soluble glass for eventual disposal) and the THORP plant. This plant is intended to reprocess up to 1,200 tonnes a year of spent oxide fuel, primarily from advanced gas-cooled reactors (AGRs) or light water reactors, and could be in operation by 1987.

In March 1977 Mr Shore announced that there would be a public inquiry into BNFL's planning application for the THORP plant. The inspector was asked to examine a number of issues, including the implications for the safety of the public and for other aspects of the national interest, the implications for the environment and other effects such as on employment, transport and housing. The inquiry lasted for 100 days between 14 June and 4 November 1977, and 146 witnesses were heard, while some 1,500 documents were submitted in evidence.[2]

Arguments For and Against the Project

Among the points put by BNFL in favour of the plant were that reprocessing would add to secure

[1] *The Windscale Inquiry: Report by the Hon Mr Justice Parker. Volume 1: Report and Annexes 3-5.* HMSO, £3·75. ISBN 0 11 751314 8.

[1] A more detailed description of BNFL's activities is given in COI reference pamphlet *British Industry Today: Energy*, R5977.

[2] A list of witnesses and a list of the documents submitted are given in Volume 2 of the report (HMSO, £11. ISBN 0 11 751319 9).

indigenous fuel resources; reprocessing of spent oxide fuel from AGRs was essential on waste management grounds; existing plant in Britain was inadequate to deal with anticipated spent fuel arising from AGRs in use or under construction[1]; a large plant would allow spent fuel from overseas to be reprocessed, permitting economies of scale and bringing balance of payments benefits; denial of reprocessing services to overseas customers might lead them to develop their own facilities and might add to the risks of proliferation; the plant would not lead to any significant risk for the public or the plant's employees; and the Nuclear Installations Inspectorate was confident that the plant could be designed, built and operated to high standards of safety. Witnesses from several voluntary organisations, such as the Friends of the Earth, the Town and Country Planning Association, the Network for Nuclear Concern and the Windscale Appeal (a coalition representing several bodies), objected to BNFL's proposals. Objections were raised on a number of grounds such as that the plant was not needed and that it would increase the danger of nuclear weapons proliferation, result in an unacceptable risk from terrorism, create unacceptable risks to the public and employees from accidents at the plant or in transport of spent fuel or plutonium (which in certain circumstances is very dangerous to man), and pre-empt a decision on the development of a commercial fast breeder reactor.

Inspector's Findings

Need for Reprocessing

Mr Justice Parker says in his report that if there is no additional reprocessing, stocks of spent fuel from AGRs would build up and necessitate the development of new storage methods, but this would be a costly and lengthy process. He believes that it is necessary to continue to develop nuclear technology and to keep the industry in a condition to meet a sudden expansion in nuclear power if this proves desirable. However, this would involve further reactors and hence greater amounts of spent fuel. The merit of reprocessing 'is that it extracts almost all the long-lived plutonium from the waste and thereby leaves much less to return to the environment from the disposal site'. 'Responsibilities to future generations therefore appear to demand reprocessing unless the plutonium extracted (or an equivalent quantity) must itself be sent to final disposal at some later date'. The report notes the implications for energy resources and says that, if oxide fuel reprocessing is undertaken, the energy produced from a given original quantity of uranium will be increased. If used in AGRs, recovered uranium alone would produce about 15 per cent more energy, and recovered uranium and plutonium together would produce 30-40 per cent more. In fast breeder reactors, the increased energy use would be very great, perhaps of the order of a sixtyfold increase. To 'dispose forever of spent fuel before we are sure that the energy locked up in it will not be required . . . would therefore be an act of folly'. Storage instead of reprocessing presented further problems and would not be in the interest of present or future generations because it involved throwing away those large indigenous resources, committing future generations to the risk of the escape of more plutonium than is necessary, and to a greater risk of escape of the remaining content of the spent fuel which is likely to be more vulnerable to leaching by water than solidified highly active waste (the inspector believes that the vitrification process will be developed successfully).

Mr Justice Parker finds that oxide fuel reprocessing is not necessary for the purposes of preserving the option to build a commercial fast reactor (at present being reviewed by the Government) or of enabling a programme of fast reactors to be launched, as plutonium from reprocessing of fuel from the Magnox power stations could be sufficient for both purposes. However, he says that any delay in the THORP project would require reprocessing, if needed, to be undertaken at a higher rate, a larger plant capacity and storage of spent fuel for longer periods.

Need for Reprocessing Fuel from Overseas

For Britain's needs a 600-tonne plant is sufficient, but the inspector says that it is desirable that there should be the extra capacity to reprocess spent fuel from other countries and the advantages clearly outweigh the disadvantages. Such business will be beneficial if this relieves the pressure on other countries to develop their own reprocessing facilities. With large amounts of spent fuel arising in the next two decades, 'it is clear that there should be adequate and reliable reprocessing facilities with spare capacity somewhere and that the obvious locations . . . are in one or more of the present nuclear weapon states'. Mr Justice Parker believes that a grant of planning permission would have a non-proliferating effect; the denial of reprocessing facilities would be against the spirit of the obligations under the main agreements on non-proliferation and would create an immediate incentive for others to develop their own reprocessing plant.

The inspector also finds that the plant is likely to be advantageous financially and that the overseas business envisaged is likely to be profitable for BNFL. Electricity consumers would also benefit through BNFL being able to charge lower prices to the electricity boards, while earnings from reprocessing fuel from overseas would benefit Britain's balance of payments.

Discharges and Accidents

Mr Justice Parker considers that the risks from the emissions involved in reprocessing are, on current estimates, likely to be very small. He says that THORP can be built to tolerable levels of safety and that not to reprocess 'is unlikely to present any lesser hazard'. The risks from terrorism are not considered to be significant. Plutonium separated from British fuel would be stored at Windscale and would not be moved from there, except in the form of fuel which was not an attractive target for terrorists.

Suitability of Windscale

All of the points put forward in favour of Windscale

[1]Two AGR power stations have been commissioned in Britain; a further three are under construction and two more are to be ordered (see p 70).

as the location of the THORP plant have been established to Mr Justice Parker's satisfaction. Suggested advantages of Windscale include existing expertise in dealing with reprocessing, and the undesirability of more than one reprocessing site before this is necessary, as a second site would increase the transport of plutonium and the number of places where plutonium has to be protected. After examining these points and the disadvantages of Windscale, Mr Justice Parker concludes 'without hesitation' that, if oxide fuel is to be reprocessed at the amount suggested, Windscale is the proper site for the plant.

Other Planning Issues

The inspector considers the plant's effects on the area. An estimated 1,000 additional permanent jobs would be established over the period to 1987, providing some alleviation to the area's unemployment problem. Mr Justice Parker is satisfied that any road and rail traffic problems can be dealt with, housing needs met and that the effects on water supplies, sewerage and sewage treatment give no grounds for refusing planning permission. He says that, in planning terms, there is no substantial objection to the proposed development and that it is likely to bring some positive benefits to the area.

Conclusions and Recommendations

Mr Justice Parker concludes that the proposed plant is desirable, that it should be built at Windscale and that it should be of the size required to reprocess fuel from other countries. He recommends that outline planning permission should be granted without delay, subject to certain planning conditions already agreed by BNFL with the local authorities. Fifteen other main recommendations are made. Among these are that there should be more permanent arrangements for 'whole body' monitoring of local people to detect their levels of intake of certain elements; consideration of the inclusion of an independent adviser to central Government on setting radiological standards; a single inspectorate for determining and controlling all radioactive discharges; specific discharge limits; a re-examination of the provisions of the Radioactive Substances Act 1960 concerning powers to hold inquiries into proposed authorisations to discharge; more monitoring of atmospheric discharges; more done by BNFL to ensure that safety precautions and operating procedures are sufficient for all eventualities, strictly observed and continually rehearsed; and a reorganisation and redefinition of functions of the local liaison committee (which has functions in connection with action arising if a serious hazard were to occur).

SOCIAL AND CULTURAL AFFAIRS

New State Pension Scheme

A new state pension scheme, providing improved and earnings-related benefits for retirement pensioners, widows, and invalidity pensioners, comes into force in April. The scheme will mature fully after 20 years of national insurance contributions, a married man on average earnings retiring on more than half his pay. Women earners will have equality of treatment with men. As now, the new pensions will be protected against inflation.

Retirement Pensions

Retirement pensions will be in two parts – a basic pension and an additional pension. The basic pension will be similar to the present flat-rate national insurance pension, a person qualifying on his or her own contributions (see p 102). It will be reviewed every year to take account of inflation and will be increased by the percentage increase in prices or average earnings, whichever is more favourable to the pensioner.

Additional pension will be related to earnings between a lower earnings limit and an upper earnings limit. The lower limit will be the same as the basic pension (£17·50 a week at present) and the upper limit about seven times that amount (£120 a week from April 1978).

A full additional pension will represent 25 per cent of earnings between the earnings limits and will be payable after the maturity period of 20 years; a proportionate share of additional pension will be payable for less than 20 years of contributions – 1·25 per cent of earnings between the limits for each year of membership of the new scheme. If contributions are made for more than 20 years, additional pension will be based on the contributor's best 20 years of earnings: this provision will be of particular benefit to those people whose earnings tend to fall as they get older or who have suffered sickness or unemployment.

When calculating additional pension a person's earnings will be revalued by reference to the growth in earnings generally. Once awarded, the pension will be increased annually in line with percentage increases in prices. The first additional pensions will be payable from April 1979.

Women earners will build up the same additional pension rights as men with the same earnings. They will also have basic pension rights protected if they give up work to bring up children or, in certain circumstances, to look after sick or elderly people; nevertheless, 20 years of contributions will still be required to qualify for the full basic pension. This provision also applies to men giving up work for these domestic reasons. Married women who choose not to work will qualify for a reduced basic pension on their husband's contributions.

Occupational Pensions

One of the basic features of the new scheme is that it is a partnership between the state and good occupational schemes run by employers for their employees. Under an arrangement called 'contracting out', there is an alternative to the normal retirement pension system. It involves payment of the basic pension by the state and payment of the additional pension by the occupational scheme. The pension offered by the scheme must not be less than the equivalent of the state's additional pension. An employer can apply to the Occupational Pensions Board to 'contract out' his employees only if his scheme provides a pension based on at least one-eightieth of final salary, or revalued average salary, for each year of service, and a widow's pension of at least half that amount. 'Contracted out' employees and their employers will pay lower national insurance contributions (see p 102).

A woman worker will have improved opportunities to join her firm's pension scheme which will have to be open to both men and women on the same terms. This means that a woman can join the scheme at the same age and after the same length of qualifying service as a man.

Widows' Benefits

Under the present system a widow's allowance is payable for the first 26 weeks of widowhood. After this a pension, based on her late husband's contributions, is payable to a widowed mother of any age and to a woman without dependent children who is aged 50 or over when her husband dies. A widowed mother retains her pension if she has reached the age of 50 when her children are no longer dependent on her. A widow's pension is payable at a reduced rate where a woman without children is widowed between the ages of 40 and 49, or where a widowed mother is between these ages when her children grow up and cease to qualify her for widowed mother's allowance: a 7 per cent reduction is made for each year by which the woman's age falls short of 50 at the relevant time and the pension continues at the same rate, subject to increases in line with inflation.

This structure of benefits will continue under the new scheme but improvements will be made to the widowed mother's allowance and widow's pension by payment of an additional pension calculated from the husband's earnings and contributions in the same way as additional retirement pension. Widows aged between 40 and 50 when widowed, without children or when children have grown up, will receive reduced basic and additional pensions. If the husband was contracted out of the state scheme, the state pays half the additional pension, the rest being made up by the employer's scheme.

A widow who retires, or is over 60 years of age when widowed, will be able to combine any retirement pension earned by her contributions with that based on her husband's contributions. However, the combined basic pensions cannot exceed the standard rate paid for one person, and the combined additional pensions cannot exceed the maximum that a single contributor could have earned from the start of the scheme. Similarly, a man whose wife dies when both are over pensionable age can qualify for a retirement pension based on her contributions and combine it with his own retirement pension, subject to the same maximum. Any other widower will be able to use his late wife's contributions towards his basic pension.

Invalidity Benefit

Invalidity pension (at the same rate as basic retirement pension) is payable to people who cannot return to work because of ill health, once sickness benefit has run out after six months. Under the new scheme, basic invalidity pension will be supplemented by additional pension calculated in the same way as additional retirement pension. All additional invalidity pensions will be provided by the state scheme, even for those contracted out.

An invalidity allowance is payable with invalidity pension at three rates to help compensate for the special needs of people with long-term sickness. The higher rate is now payable when incapacity began before the age of 35, the middle rate between the ages of 35 and 44, and the lower rate between the ages of 45 and 54 (for women) or 59 (men). Under the new scheme, the higher rate will be paid before the age of 40, the middle rate between the ages of 40 and 49, and the lower rate between 50 and 54 (women) or 59 (men).

Finance

As under the present national insurance scheme, benefits will be paid for by contributions from employees, their employers and the Government. There are four classes of contributions, Class 1 being paid by employees and their employers, Classes 2 and 4 by self-employed people, and Class 3 by voluntary contributors. Contributions are paid to the National Insurance Fund from which benefits are paid.

Employees and Employers

Class 1 contributions are earnings-related but lower ones are paid by employees contracted out of the scheme by their employers.

Non-contracted-out employees pay 6·5 per cent of earnings up to the upper earnings limit of £120 a week. Employers pay 10 per cent of the same earnings range. Contracted-out employees pay 6·5 per cent of earnings up to the lower limit of £17·50 and 4 per cent of earnings between the earnings limits. Employers pay 10 per cent and 5·5 per cent respectively. Anyone earning less than £17·50 does not have to pay contributions.

These contribution rates apply equally to men and women employees with the exception of certain married women and widows, who, before April 1977, chose to continue paying a reduced national insurance contribution of 2 per cent of the earnings range. Reduced-rate contributions do not count for any benefits but these women can rely on their husband's contributions for certain benefits such as maternity grant and basic retirement pension at a reduced rate.

The employer pays an additional national insurance surcharge per employee to the Exchequer; the surcharge is 2 per cent of the earnings range up to £120 a week.

Self-employed People

The new pension scheme is mainly for employees and their dependants. Self-employed people pay two types of contributions and in return receive basic retirement pension and a number of other benefits. From April 1978 lower rates of contribution will apply, namely, Class 2 contributions of £1·90 a week, and Class 4 contributions amounting to 5 per cent of annual profits between £2,000 and £6,250.

Voluntary Contributions

Class 3 voluntary contributions (£1·80 a week for men and women) can be paid to help qualify for basic retirement pension and a limited range of other benefits. These enable gaps to be filled in contribution records.

Other Benefits

The new scheme preserves the existing short-term benefit provision for sickness, unemployment and maternity. As part of the emphasis placed on equality for women, married women qualifying for sickness and unemployment benefit will be paid at the same rate as men and single women.

A fuller account of the social security system is contained in COI reference pamphlet, *Social Security in Britain,* R5455/77.

Inner Cities Policy

New powers to enable local authorities with serious inner urban area problems to assist industry are proposed in the Inner Urban Areas Bill which is now before Parliament. The Bill forms part of the Government's new policy to deal with urban deprivation in England, Wales and Scotland. Other features are a greatly increased allocation of resources for inner cities, especially under the urban programme, and a new form of co-ordination and partnership between central and local government to

focus special efforts on the areas with the worst problems.

The Problems

Although much has been done over the years to deal with inner-city problems common to many advanced countries, conditions in Britain's major urban centres have continued to give cause for concern. Post-1945 decentralisation policies, intended to relieve inner city congestion and to aid regeneration, have encouraged population movement through comprehensive building of houses and establishment of jobs outside the areas – for example, in the new towns. In part this policy has relieved pressure on the inner urban areas, in part it has exacerbated decay. Over the past ten years the areas have suffered a large and disproportionate loss of jobs and population. Old problems of poor quality housing and, in some areas, overcrowding, have still to be overcome, and in many places have been added to by new problems of unemployment, decay and dereliction, and unbalanced population structures containing a high ratio of the disadvantaged and the elderly.

Past policies have contained many successes – the slums have largely been replaced, much poor housing has recently been improved, and the clean air legislation has improved the environment and health – but social and economic problems remain, and it is with these that the new Government initiatives, first announced in 1977 (see pp 203-4 and 283-4, 1977), are concerned.

The Urban Programme

Government finance under the urban programme ('urban aid') is being recast. The programme, which was started in 1968, has operated on a wide front. While most of the money has gone towards local authorities' social projects, some of it has played a part in stimulating innovation and 'self-help', and has been used as a means of channelling funds via the local authorities to voluntary bodies.

The programme is now being extended to cover industrial, environmental and recreational provision and other matters, as well as specifically social projects. It is being increased from its present level in England and Wales of under £30 million a year to £125 million a year in 1979-80 (in Scotland from £6 million a year to £20 million in 1980-81). A large measure of priority is to be given in the next few years to the local authorities which have special 'partnership' arrangements with central Government (see below). Other local authorities, and through them voluntary bodies, will continue to benefit from the programme, on an increasing scale in later years.

The urban programme represents only part of the central Government assistance to urban (and other) local authorities. The Government's main contribution is through the annual rate support grant, transport supplementary grant, housing subsidy and other main programmes.

Partnership Arrangements

Official policy is to concentrate efforts on the most difficult areas, and in seven areas of England, where problems are greatest, the Government is working in partnership with local authorities to develop inner city programmes. The areas involved are: Birmingham, Liverpool, Manchester/Salford, Newcastle upon Tyne/Gateshead, and, in London, the Docklands area, Lambeth and Hackney/Islington. The participation of central Government is intended to underline the Government's commitment to the inner areas, to bring national experience to bear, and to enable ways of unifying central and local government action to be worked out.

Each partnership committee is chaired by a minister from the Department of the Environment, and will prepare by this summer a three-year action programme based on the needs of the area and its particular priorities.

Allocations of urban resources for 1979-80, 1980-81 and 1981-82 amounting to £200 million in total have been made to help the planning of these programmes. The partnership areas are already spending their initial allocations from the £100 million inner city construction package announced in the March 1977 Budget (see pp 157 and 284, 1977).

Other Areas

Outside the partnership areas, 15 authorities in England have been identified as having areas that, while not justifying a special partnership arrangement, still merit special attention. The areas are: North Tyneside, South Tyneside, Sunderland, Middlesborough, Bolton, Oldham, Wirral, Bradford, Hull, Leeds, Sheffield, Wolverhampton, Leicester, Nottingham and Hammersmith in London. They will receive, between them, £25 million annually from the urban programme from 1979-80 onwards – a six-fold increase – and they are being invited to prepare their own inner city programmes in time for implementation from April 1979.

In Scotland a major renewal project aimed at the comprehensive regeneration of the east end of Glasgow has been started. It involves the co-operative efforts of local authorities, the Scottish Special Housing Association and the Scottish Development Agency. The project is supervised at a strategic level by a committee chaired by Scottish Office ministers, on the pattern now adopted for the partnership cities in England.

Inner Urban Areas Bill

The Inner Urban Areas Bill, which received a second reading in the House of Commons on 9 February (*Hansard*, cols 1686-812), is directed towards the economic revival of inner urban areas. It will give powers to inner city local authorities to support the creation of new employment opportunties and to improve the environment of industrial areas.

Existing legislation already contains some restricted powers for local authorities to assist useful developments but the new Bill will give the authorities, for the first time through general legislation, powers to make particular forms of assistance available within specific types of areas.

The Bill will enable the appropriate Secretary of State to specify 'designated districts' where special social need exists in any inner urban area. Within the districts, local authorities will have power to make loans at commercial rates for land purchase and works on land (such as the construction and modification of buildings and installation of services). The loans would amount to up to 90 per cent of the

value of the land and buildings. It is envisaged that this power will enable the authorities to help industrialists to acquire and develop land where other sources of finance are not available.

Within designated districts, too, the local authorities will have specific powers to declare industrial improvement areas and make grants or loans within them for environmental improvements, or to convert buildings to provide new employment opportunities. The concept of improvement areas is well known in British housing policy, and two local authorities, Rochdale and Tyne and Wear, have pioneered the use of industrial improvement areas which aim to arrest the spiral of decline that so often occurs in old industrial areas, and to rehabilitate and convert the buildings as well as to make improvements to amenities and facilities.

No final decision has yet been made on which districts should be designated, but all the areas involved in the partnership arrangements and all the areas where the local authority has been invited to prepare inner area programmes will certainly be included. It is envisaged that a number of other districts with serious problems of urban decay will also be designated.

Many vacant or disused sites in inner areas contain the remains of older buildings, or have been used for dumping waste, and the cost of new building on these sites is often considerably greater than the cost of using a 'green field' site. The Inner Urban Areas Bill therefore provides that in partnership areas – actually in so called 'special areas' – local authorities can make loans for site preparation works. Although the loans are to be at commercial rates, the interest on them may be waived for up to two years and this will help to compensate to some extent for the extra costs of using these rather than green field sites.

The Government proposes that one of the first tasks of the inner city partnerships ought to be to establish, where they do not know it already, what vacant or unused land exists in their areas and to decide what can be done to bring such sites back into use. Nationalised industries and other public bodies have been asked to undertake a survey of their vacant and under-used land holdings.

Since one of the causes of firms closing in inner city areas has been that they often cannot afford the higher rents they have to pay when forced by redevelopment to move from old low-cost premises, local authorities in the partnership areas will be able to make grants towards the rents of firms taking new leases. The maximum amount of the grants is not prescribed in the Bill – this is left to later directions – but it is expected to be the equivalent of between one and two years' rent depending on the particular circumstances.

In the partnership areas, to reduce the risk of planning delays, local authorities will have power to adopt local plans in advance of the structure plan being approved, provided that the local plans are in general conformity with the draft structure plan.

While the powers of the Inner Urban Areas Bill are directed towards a partnership between local authorities and local industry, central Government, through the Industry Act, will continue to make aid available to industry in both assisted and non-assisted areas.

Shorter Notes

HELP FOR HOME BUYERS

Government help for first-time home buyers is proposed in the Home Purchase Assistance and Housing Corporation Guarantee Bill which received a second reading in the House of Commons on 20 February (*Hansard,* cols 1024-96). The basic principle is that the Government will make available finance which recognised lending institutions such as building societies will pass on to first-time buyers.

Two forms of assistance may be provided – a cash bonus up to a maximum of £110, and a loan of £600, added to the normal mortgage advance. The loan is interest-free and need not be repaid for five years. To qualify for the assistance, purchasers must have been saving for two years, must have kept at least £300 in their account throughout the 12 months before they buy, and (to qualify for the loan) must have savings totalling at least £600 at the end of that 12 months. The house or flat concerned must be bought with a mortgage loan, and must be priced below a limit fixed for each region of the country. It is proposed that the price limits be set so that roughly two-thirds of first-time purchasers will qualify. Some 200,000 buyers each year – including 30,000 or so who might not otherwise have been able to afford house purchase – are expected eventually to qualify for the cash bonus and loan; a further 20,000 may receive the bonus only. Provision is made for the benefits, price limits and conditions to be altered to meet changing circumstances. The scheme will probably come into effect during 1980 on completion of two years' savings by the first group of purchasers.

A separate feature of the Bill increases the financial limits governing the Housing Corporation's power to guarantee loans to housing associations. By increasing from £100 million to £300 million (and beyond with Parliament's approval) the total amount of loans the corporation can guarantee, the Bill extends the scope of housing associations to finance the provision of new or rehabilitated houses from private funds.

EUROPEAN AWARD FOR ENGLISH MUSEUM

The Ironbridge Gorge Museum in Telford, Salop, has won the first European Museum of the Year Award which was presented by the President of the Commission of the European Community, Mr Roy Jenkins, in Strasbourg on 14 February. Ironbridge, an open-air museum whose exhibition areas contain the world's first iron bridge, cast in 1779, was one of more than 30 entries from Western Europe. The award scheme, which is supported by the Council of Europe and the International Council of Museums, grew out of the Museum of the Year Award, a British scheme which has been in existence for five years and is organised by National Heritage, a group which promotes the interests of museums, and sponsored by a monthly journal, *The Illustrated London News.*

DOCUMENTATION

Government and Administration

Northern Ireland Representation (see p 83):

Conference on Electoral Law. Letter dated 13 February 1978 from Mr Speaker to the Prime Minister. Cmnd 7110. HMSO, 15p. ISBN 0 10 171100 X.

Mr Speaker's Conference on Electoral Law. Papers submitted to the Conference, July-December 1977. HMSO, 75p. ISBN 0 10 276778 5.

Parliamentary Commissioner for Administration: Annual Report for 1977 (Second Report for session 1977-78). The 'Parliamentary Ombudsman', as Sir Idwal Pugh refers to himself, raises two broad issues arising from his work. He believes that Parliament should re-examine the rules governing the public's access to him (at present only possible through MPs); and that, for the sake of clarity, his powers to investigate maladministration by Government departments should be redefined to include unreasonable, unjust or oppressive actions, though in practice he investigates these already. HMSO, 70p. ISBN 0 10 215778 2.

External Affairs and Defence

Agreement between the Government of the United Kingdom . . . and [the Soviet Union] on the prevention of Accidental Nuclear War. Cmnd 7072. HMSO, 25p. ISBN 0 10 170720 7.

Fifth Report from the Expenditure Committee [Defence and External Affairs Sub-Committee] Session 1976-77. Progress towards implementation of the Final Act of the Conference on Security and Co-operation in Europe. Observations by the Government. Cmnd 7112. HMSO, 25p. ISBN 0 10 171120 4.

Statement on the Defence Estimates 1978 (see pp 86-90). Cmnd 7099. HMSO, £1·60. ISBN 0 10 170990 0.

Developments in the European Communities July-December 1977 (see p 90). Cmnd 7100. HMSO, 50p. ISBN 0 10 171000 3.

Agreement between the European Economic Community and Hong Kong on Trade in Textile Products. Cmnd 7103. HMSO, 35p. ISBN 0 10 171030 5.

Agreement between the European Economic Community and Macao on Trade in Textile Products. Cmnd 7076. HMSO, 35p. ISBN 0 10 170760 6.

Economic and Scientific Affairs

Minimum Lending Rate (MLR). The Bank of England's MLR was reduced by 0·5 per cent on 9 January to 6·5 per cent. *Economic Progress Report,* No 95, prepared by the Information Division of the Treasury. Available from Circulation Section (H), Central Office of Information.

Royal Mint. One hundred and sixth report of the Deputy Master and Comptroller, 1975-76. A total of 1,675 million coins was struck for 57 different countries, 862 million for Britain and 813 million for overseas countries. A further 535 million coins were struck for overseas countries by private mints under sub-contract to the Royal Mint. HMSO, £3·50. ISBN 0 11 887002 5.

Government Actuary's Department. Annual report for 1977. The Government Actuary's Department provides a consulting actuarial service for other Government departments, none of which employ their own actuaries. The report says that, although there is no statutory obligation for the department to publish a yearly report, an informal document has been circulated for some years and is this year being made more widely available in order to explain the department's role in Government. Copies available from the Government Actuary's Department, Steel House, Tothill Street, London SW1H 9LS.

Manpower and Employment in Britain: The Role of Government. COI, R5943.

International Labour Organisation (ILO). The United Kingdom will make a voluntary contribution of nearly $250,000 to the ILO during 1978 and 1979, following an appeal to member states to

make up the remaining deficit left by the withdrawal of the United States in November 1977. The 25 per cent loss of income resulting from this withdrawal has been met by programme reductions amounting to 21·7 per cent of the expenditure budgeted for the two years 1978-79 and by voluntary contributions from member states. Britain's voluntary contribution is being made on the understanding that no further liability will fall on it to pay any part of the deficit. *Hansard*, 1.3.78, written answers, col 277.

Developing Employment and Training Services for Disabled People. An MSC Programme. A document setting out a development programme for the Manpower Services Commission's services to disabled people in the labour market over the next five to ten years (see also pp 41-2, 1976). Available in both a full and an abbreviated version from Marketing Services (DP), Employment Service Agency, 82 Charing Cross Road, London WC2H 0BT.

Young People and Work. Research studies commissioned and managed by the Manpower Services Commission. HMSO, £2·50. ISBN 0 11 887502 7.

Statutory Labelling Scheme for Dangerous Chemicals. Suppliers of any of about 800 dangerous chemicals – mostly used in industry, but some in the home – will be legally obliged to put warning labels on their containers under regulations laid before Parliament on 1 March. Containers must also be properly designed, constructed and secured to prevent accidental spillage during normal use. The regulations, which will come into operation on 1 September 1978 for containers of 200-litre capacity or more and on 1 March 1979 for smaller containers, implement within Great Britain a European Community directive on the packaging and labelling of dangerous substances and are the first step towards establishing throughout the Community a standardised scheme for the labelling of all hazardous substances. Department of Employment and Health and Safety Commission press notices, 1.3.78.

Construction Industry. A new Construction Industry Advisory Committee has been set up by the Health and Safety Commission (HSC) to encourage the participation of both sides of industry in the improvement of health and safety at work and to draw on all the expertise and advice that is available. The committee will include six employer and six trade union representatives. HSC press notice, 21.2.78.

New Earnings Survey 1977. Part E. Analyses by Region and Age Group (see p 32). Department of Employment. HMSO, £2. ISBN 0 11 723812 0.

Consumer Protection and Information Policy—First Report. Commission of the European Communities, 1977. Office for Official Publications of The European Communities, Boîte Postale 1003—Luxembourg. Catalogue number: GB-23-77-364-EN-C. 75p.

Consumer Advice Centres. Government grants totalling £300,000 will enable 26 new centres to be set up throughout Great Britain in addition to the 105 already open. The grants were announced in November 1977 and the centres should be open by, or shortly after, 31 March 1978. *Hansard*, 22.2.78, written answers, cols 651-2.

Mergers—A guide to the procedures under the Fair Trading Act 1973. Office of Fair Trading. HMSO, 1978, 90p. ISBN 0 11 280016 5.

Go for growth: invest in Britain. A *Trade and Industry* special report on the opportunities and incentives for industrial growth in Britain. *Trade and Industry*, 3.3.78. HMSO, 40p. ISBN 0 11 725261 1.

British Industry Today: Chemicals. COI, R6025.

British Industry Today: Textiles and Clothing. COI, R6017.

First Report from the Select Committee on Nationalised Industries. Session 1977-78. The British Steel Corporation. Volume I. Report and Proceedings of the Committee. HMSO, £1·60. ISBN 0 10 272078 9. Volume II. Minutes of Evidence. HMSO, £10·60. ISBN 0 10 271778 8. Volume III. Appendices. HMSO, £4·10. ISBN 0 10 271978 0.

Second Report from the Select Committee on Nationalised Industries. Session 1977-78. The British Steel Corporation. Volume I. Report and Proceedings of the Committee. HMSO, 60p. ISBN 0 10 272978 6. Volume II. Minutes of Evidence and Appendices. HMSO, £2·10. ISBN 0 10 274078 X.

Hire Purchase Transactions. The upper limit under which consumers are protected under present hire purchase legislation is to be increased from £2,000 to £5,000 from 1 June 1978, Mr John Fraser, Minister of State for Prices and Consumer Protection, said in answer to a question in the House of Commons on 8 February (*Hansard*, written answers, cols 593-4). A separate order will be made in respect of Northern Ireland. The change will take account of the fall in the value of money since the current legislation was enacted in 1965.

Agricultural Chemicals Approval Scheme. List of Approved Products and their Uses for Farmers and Growers, 1978. In addition to the list of officially approved brands of insecticides, fungicides, herbicides and related chemicals, the booklet contains information on the safe use of these products and on other relevant matters. HMSO, £2. ISBN 0 11 241080 4.

Britain. Hotels and Restaurants. An annual guide, with maps and touring notes. British Tourist Authority, £2. ISBN 0 85630 601 0.

Energy Policy: A Consultative Document (see p 96). Cmnd 7101. HMSO, £2·15. ISBN 0 10 171010 0.

Energy Conservation. COI, SN5993.

Report of the Working Group on Buildings. Session: January to October 1977. Advisory Council on Energy Conservation Paper 7. Energy Paper No 25. Department of Energy. HMSO, £1·50. ISBN 0 11 410644 4.

The Windscale Inquiry: Report by the Hon Mr Justice Parker. Volume 1: *Report and Annexes 3-5* (see p 98). HMSO, £3·75, ISBN 0 11 751314 8. *Volume 2*: *Annex 1, List of Appearances*; *Annex 2, List of Documents*; *Alphabetical Index to List of Documents.* HMSO, £11. ISBN 0 11 751319 9. *Volume 3*: *Index to the Report.* HMSO, 55p. ISBN 0 11 751321 0.

Transport Statistics Great Britain 1966-76. HMSO, £5·75. ISBN 0 11 550045 1.

Central Transport Consultative Committee For Great Britain. Annual report for the year ended 31 December 1977. HMSO, 60p. ISBN 0 10 217878 X.

Concorde. COI, SN6032.

British Waterways Board. Fourth Report from the Select Committee on Nationalised Industries, Session 1977-78. HMSO, £3·60. ISBN 0 10 223978 9.

The Promotion of the Sciences in Britain. COI, R5624.

British Aid Statistics 1972-1976 (see p 95). HMSO, £6.25 ISBN 0 11 580208 8.

Social and Cultural Affairs

The General Household Survey 1975. A continuous survey based on a voluntary random sample of some 15,000 households throughout Great Britain, containing information on housing, employment, education, health and household composition. HMSO, £7·50. IBSN 0 11 700825 7.

Scottish Law Commission. Twelfth Annual Report, 1976-77. HMSO, 70p. ISBN 0 10 221178 7.

Higher Education into the 1990s: *A Discussion Document.* Considers the possible implications of demographic trends for the pattern of higher education. (The fall in the birth rate since 1964 has already caused a sharp decline in primary school numbers; over the next few years secondary schools will face a similar decline; and higher education will begin to feel the effects in the early 1980s.) Copies of the paper are available from Room 1/27, Department of Education and Science, Elizabeth House, York Road, London SE1 7PH.

Public Disorder and Sporting Events. A report by a joint panel of the Sports Council and the Social Science Research Council. Copies are available, price £1·50, from the Sports Council, 70 Brompton Road, London SW3 1EX. ISBN 0 900296 71 2.

Gambling: *A Review of the Literature.* This Home Office Research Study notes that four out of five adults in Britain take part in some form of gambling, and that the industry has an annual turnover exceeding £3,500 million and employs 90,000 people. HMSO, £4·25. ISBN 0 11 340682 7.

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